

## Message Text

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17  
ORIGIN NEA-03

INFO OCT-01 ISO-00 /004 R

66615  
DRAFTED BY NEA/ARN:DDEAN:AIC  
APPROVED BY NEA/ARN:DAKORN  
----- 104623  
R 192103Z FEB 75  
FM SECSTATE WASHDC  
TO AMEMBASSY AMMAN

C O N F I D E N T I A L STATE 037338

FOL REPEAT BEIRUT 1918 SENT ACTION SECSTATE INFO  
BAGHDAD EB 10

QTE

C O N F I D E N T I A L BEIRUT 1918

E.O. 11652: GDS  
TAGS: ENRG, BEXPJN SA, JO, US  
SUBJECT: TAPLINE PROBLEMS IN JORDAN: LEBANON IMPLICATIONS

REF: JIDDA 826, DHAHRAN 170 AND RELATED TRAFFIC

SUMMARY: INFO RECENTLY AVAILABLE, PARTICULARLY THAT  
CONTAINED IN REFTELS, INDICATES THAT SAUDIS UNLIKELY GIVE  
LEBANON SPECIAL TREATMENT. GOL PROBABLY WILL CONTINUE  
SEEK SAME, PLAYING IRAQIS AGAINST SAUDIS. COMBINED  
JORDAN/LEBANON DEBT EXCEEDS TOTAL OAPEC FUND. DEBTORS  
MIGHT EXPLORE CREDIT OR DEFERRED PAYMENT POSSIBILITIES.

1. INFO COMING TO OUR ATTENTION RECENTLY--PARTICULARLY  
THAT CONTAINED IN REFTELS--MOST USEFUL IN PROVIDING CLEAR-  
EST INDICATION TO DATE THAT SAUDIS UNLIKELY BE SYMPATHETIC  
NEXT LEBANES PLEA FOR PRICE RELIEF ON \$50 MILLION PLUS  
DEBT OWED TAPLINE FOR SEQUESTERED CRUDE SINCE 8/1/75.  
GOL PERIOKCALLY ISSUES STATEMENTS IMPLYING SAUDIS MAY  
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EVENTUALLY GRANT LEBANON SPECIAL PRICE TREATMENT. THIS

SOMETIMES CARRIES ADDITIONAL IMPLICATION THAT AGREEMENT  
NEAR ON SAUDI PARTICIPATION LONG-PLANNED JZTHIRD REFINERY"  
USING SAUDI CRUDE VIA TAPLINE, FOR LEBANESE MARKET AND  
FOR EXPORT. (THIS PROJECT SEEMS NO CLOSER REALIZATION  
THAN 10 YEARS AGO, BUT EXACT STATUS IMPOSSIBLE DETERMINE  
SO IT SHOULD BE CARRIED AS A LIVE TRADE OPPOR-  
TUNITY.)

2. LEFTIST BEIRUT DAILY "AL MOHARRER" REPORTED FEB. 4,  
QUOTING GOL OILMIN ABU SHARAF, THAT GOL EMBASSIES JIDDA  
AND BAGHDAD HAVE ASKED BOTH SAUDI AND IRAQI GOVERNMENTS  
FOR OIL PRICE TALKS. OILMIN REPORTEDLY SAID THAT WHEN  
REPLY RECEIVED GOL WILL SEND DELEGATION TWO CAPITALS.  
UNDER FORTUITOUS MARCH 1973 AGREEMENT WITH IRAQIS AFTER

GOL TAKEOVER IPC RPT IPC FACILITIES LEBANON, GOL ENTITLED  
BUY 1.5 MILLION TONS ANNUALLY OF KURKUK CRUDE THROUGH  
1975 FOR TRIPOLI REFINERY AT NOW-BARGAIN PRICE WHICH  
THIS YEAR IS ROUGHLY \$3 PER BARREL. IT ASSUMED LOCALLY  
THAT GOL, BEHIND SYRIA (WHICH HAS SIMILAR AGREEMENT WITH  
IRAQIS), WILL ATTEMPT OBTAIN EARLY RENEWAL OF AGREEMENT  
FOR 1976 AND BEYOND AT DISCOUNT PRICE, THEN USE IT TO  
ATTEMPT EXTRACT FAVORABLE PRICE FROM SAUDIS FOR TAPLINE  
SUPPLIES. OR, GOL MIGHT ATTEMPT OBTAIN FAVORABLE SAUDI  
PRICE FIRST AND THEN GO TO IRAQIS. OILMIN'S ALLEGED  
STATEMENTS DO NOT NECESSARILY MEAN TALKS IMMINENT BUT  
THEY LIKELY SOMETIME THIS YEAR.

3. REGARDING OAPEC \$80 MILLION OIL-PURCHASE FUND, WE  
WOULD NOTE THAT JORDAN AND LEBANON APPARENTLY OWE TAPLINE  
\$50 MILLION EACH. WE RECALL THAT WHEN FUND ESTABLISHED  
THERE WAS PRESS SPECULATION THAT LEBANON TOO WEALTHY TO  
BE ELIGIBLE TAP FUND.

4. FINALLY, OCCURS TO US THAT IN APPROACHING SAUDIS BOTH  
JORDAN AND LEBANON MIGHT LOOK INTO POSSIBILITIES DISGUISED  
PRICE CUTS UNDER EASY CREDIT TERMS OR EXPLORE IMPLICA-  
TIONS DEC. 10 ZURICH SPEECH BY YAMANI RAISING POSSI-  
BILITY OF DEFERRED OIL PAYMENTS (BEIRUT 15288 NOTAL).

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5. NOT REPEATED INTERESTED POSTS BECAUSE OF MINIMIZE.  
GODLEY

UNQTE  
KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**To:** AMMAN  
**Type:** TE  
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